

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1432**

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**Introduced by Assembly Member Mendoza**

February 27, 2009

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An act to ~~amend Section 51150 of~~ *add Section 51150.5 to* the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1432, as amended, Mendoza. Qualified mortgage lender loans: terms and conditions.

Existing law establishes the California Housing Finance Agency for the primary purpose of meeting the housing needs of persons and families of low or moderate income. Existing law authorizes the agency to make loans to qualified mortgage lenders under terms and conditions requiring the proceeds to be used for making construction loans and mortgage loans for the purpose of financing housing developments and residential structures.

~~This bill would, instead, provide that an agency may make loans to qualified mortgage lenders under terms and conditions requiring the proceeds to be used by lenders for the purpose of making or refinancing acquisition, construction, and development loans and mortgage loans~~ *provide that if the agency receives funds from the federal Troubled Asset Relief Program established pursuant to the Emergency Economic Stabilization Act of 2008, the agency would be limited to using the funds to make or refinance acquisition, construction, or development loans for housing developments or residential structures for persons meeting an income test.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 51150.5 is added to the Health and Safety  
2     Code, to read:  
3     51150.5. Notwithstanding any other law, if the agency receives  
4     funds from the federal Troubled Asset Relief Program established  
5     pursuant to the Emergency Economic Stabilization Act of 2008  
6     (12 U.S.C. Sec. 5201 et seq.), the agency shall use the funds to  
7     make or refinance acquisition, construction, or development loans  
8     for housing developments or residential structures affordable to  
9     persons and families earning up to 200 percent of the area median  
10    income.  
11    ~~SECTION 1. Section 51150 of the Health and Safety Code is~~  
12    ~~amended to read:~~  
13    ~~51150. The agency may make loans to qualified mortgage~~  
14    ~~lenders under terms and conditions requiring the proceeds thereof~~  
15    ~~to be used by those mortgage lenders for the purpose of making~~  
16    ~~or refinancing acquisition, construction, and development loans~~  
17    ~~and mortgage loans for the purpose of financing housing~~  
18    ~~developments and residential structures.~~